

**COMMONWEALTH OF MASSACHUSETTS  
BEFORE THE  
DEPARTMENT OF TELECOMMUNICATIONS AND ENERGY**

Petition of Western Massachusetts Electric Company	) ) ) )	D.T.E. 02-49
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**WESTERN MASSACHUSETTS ELECTRIC COMPANY'S MOTION  
FOR PARTIAL WITHDRAWAL OF INITIAL PLEADING**

On September 6, 2002, Western Massachusetts Electric Company ("WMECO") submitted to the Department of Telecommunications and Energy ("Department") a request for relief in three distinct areas.<sup>1</sup> First, WMECO petitioned for approval to refinance, with long-term debt, a portion of its short-term debt (consisting of revolving credit and system money pool borrowings), which was incurred by WMECO for investment in working capital and construction projects. Exh. WM-1, p. 1.

Second, WMECO requested approval to finance its prior spend nuclear fuel ("PSNF") obligations incurred in connection with WMECO's prior partial ownership in the Millstone nuclear generating units in Waterford, Connecticut. The PSNF liability relates to WMECO's responsibility under the Nuclear Waste Policy Act of 1982 to pay for the disposal of spent nuclear fuel and high level radioactive waste used at Millstone prior to 1983. Exh. WM-1, p. 1.

Third, WMECO requested approval to enter into interest rate hedging transactions from time to time in connection with any outstanding or prospective short-term or long-term debt. Exh. WM-1, p. 2.

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<sup>1</sup> WMECO amended its initial filing on December 12, 2002. The amendment did not alter WMECO's three distinct requests.

The only parties in the proceeding were WMECO and the Attorney General. Briefs were filed in March 2003. In his reply brief, the Attorney General stated that the Department should: “1) authorize the Company [WMECO] to issue bonds [*i.e.*, long-term debt] up to \$105 million; 2) deny the Company authority to establish and finance a PSNF fund; and 3) deny the Company authority to engage in derivative trading and hedging activities in light of the potential for gaming, unfair dealing, and increased Company risk.” Attorney General Reply Brief, pp. 9-10 (March 21, 2003; *see, also*, Attorney General Initial Brief, p. 11.

After additional consideration of its petition before the Department, WMECO hereby moves to withdraw, pursuant to 220 CMR 1.04(4)(b), the portion of its petition pertaining to its PSNF obligations and interest rate hedging transactions. WMECO will review these requests and refile them at a later time. Therefore, WMECO does not seek any further consideration by the Department of these requests in this proceeding.

WMECO’s instant motion pertains to the PSNF obligation and interest rate hedging transaction requests only. WMECO continues to request approval from the Department for the refinancing of a portion of its short-term debt with long-term debt. Given the language of the Attorney General’s Reply Brief cited above, the Attorney General appears squarely to support this element of WMECO’s petition. Accordingly, WMECO continues to seek approval pertaining to the issuance of long-term debt to replace short-term debt.

WMECO further seeks expeditious action by the Department on its petition, as revised in this motion. Interest rates remain low and customers will benefit from a debt

issuance in the near future.

Respectfully submitted,

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